

Expanding Provisions 2 & 3 District-Wide

Purpose:

This instruction sets forth the policy on the procedures for implementing Provision 2 or 3 Local Educational Agency (LEA) wide or for a subgroup of schools within a school district.

Scope:

Sponsors participating in National School Lunch Program (NSLP) and/or School Breakfast Program (SBP).

Description:

The procedures for implementing Provision 2 or 3 LEA-wide or for a subgroup of schools differ somewhat depending on the status of the schools within the schools to be included in the group at the time of implementation. (The term 'group' should be understood to mean all schools which will be included under the provision – either all schools in the district or all schools in the group which the LEA has selected to operate under the provision.)

If all of the schools in the group are currently operating under normal claiming procedures: A base year must be established.

For Provision 2: The sum of the meal counts by category for all schools in the group for the base year will be used to develop the comprehensive claiming percentages. The common base year becomes the base year for the group.

For Provision 3: The aggregate reimbursement for all schools in the group for the base year will be the base year reimbursement and the aggregate enrollment for all schools in the group will be the base year enrollment. The common base year becomes the base year for the group.

If all of the schools in the group are currently operating under the selected Provision:

For Provision 2: The sum of the prior year's meal claims by category for all schools in the group will be used to develop the new claiming percentages.

For Provision 3: The sum of the prior year's reimbursement claims for all schools in the group will be the basis for subsequent year reimbursements and the prior year aggregate enrollment for all schools will be the basis for subsequent year enrollment adjustments.

Under both Provisions, a common base year may be established for the group. If all schools in the group have the same base year, that year is the base year for the group. If the schools have different base years, the LEA may determine how many of the schools in the group would be required to have a new base year in each of the next four years, beginning with the first year in which the group is established. The year with the largest number of schools due for a new base year can become the new base year for the group.

Alternatively, LEAs may elect to maintain individual base years for schools and recalculate the group claiming percentages in the manner described above when a new claiming percentage is established for one of the schools in the group. If an SFA which has established group claiming percentages or reimbursement levels by combining data from previously participating schools wishes to base renewal for the group as a whole or socio-economic indicators rather than a regular or modified base year, the State Agency should consult with FNS to determine the appropriate statistical indicators to be used to make the renewal determination.

If some schools are currently operating under the selected Provision and the district wants to add other schools to the group:

The new schools will have to conduct a base year. Handle the calculation of claiming percentages or reimbursement and enrollment the same as if you are combining schools currently operating under the Provisions with different base years. Alternatively, a new base year can be conducted for all schools in the group.

The preceding information is provided as initial guidance for LEAs which may want to consider implementing Provision 2 or 3 on an LEA or LEA subgroup basis in the current school year.

SOURCE: USDA MEMORANDUM, DATED AUGUST 6, 2004.